

I hereby give notice that an ordinary meeting of the Chief Executive Officer Review Committee will be held on:

Date: Thursday, 20 February 2014
Time: 2.00pm
Meeting Room: Council Chambers
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Chief Executive Officer Review Committee

OPEN AGENDA

MEMBERSHIP

Chairperson Hon Chris Fletcher, QSO
Deputy Chairperson Mayor Len Brown, JP
Members Cr Bill Cashmore
Cr Penny Hulse
Cr Penny Webster
Cr George Wood, CNZM

(Quorum 3 members)

Tam White
Democracy Advisor

18 February 2014

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TERMS OF REFERENCE

Responsibilities

The Chief Executive Review Committee is established to review the Chief Executive's performance and to recommend to the Governing Body the terms and conditions of the Chief Executive's employment including any performance agreement measures and annual remuneration.

Powers

All powers necessary to perform the Committee's responsibilities.

Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (see Governing Body responsibilities)
- (b) where the Committee's responsibility is limited to making a recommendation only.

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1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Setting of Chief Executive Objectives and Chief Executive Officer Review Committee Terms of Reference

File No.: CP2014/02099

Purpose

1. This is the first meeting of the Chief Executive Officer Review Committee in the council's second term. The purpose of this meeting is to agree on the format and style for future meetings, and to discuss the Chief Executive's performance objectives.

Executive Summary

2. The Committee Chair and the Chief Executive have had preliminary discussions on the style and content of Chief Executive Officer Review Committee meetings. They propose an inclusive and collaborative style that enables councillors to engage with the Chief Executive on a regular basis. The meetings will discuss mutual areas of interest and progress against the Chief Executive's objectives ex-ante and ex-post.
3. The committee is requested to discuss the style and format of future meetings. Subject to the committee's agreement.
4. The Chief Executive's performance objectives need to be set for the remainder of the 2013/14 financial year and consideration given for the longer term objectives over Mr Town's contracted period. Councillors developed a set of priorities for the Chief Executive recruitment process and these are attached to help inform the discussion.

Recommendations

That the Chief Executive Officer Review Committee:

- a) discuss the style and format of future Chief Executive Review Committee meetings; and
- b) discuss the Chief Executive's performance objectives for the remainder of the 2013/14 financial year and longer-term over the Chief Executive's contracted period.

Discussion

Style and Format of the Chief Executive Review Committee

5. This is the first meeting between the new Chief Executive Review Committee and the new Chief Executive. It provides an opportunity for committee members to discuss the style and format of future meetings.
6. The Committee Chair and the Chief Executive have held preliminary discussions on the options for adding greater value to the meetings. In a change to previous meetings, where discussions were centered on progress against the Chief Executive's agreed objectives, they propose that future committee meetings provide an opportunity for all members of the Governing Body to actively engage with the Chief Executive on both strategic and operational issues. For example, this could include councillors having the opportunity to discuss with the Chief Executive:
 - a) strategy and significant funding decisions
 - b) agreement on key priorities including funding paths

- c) opportunities and risks
 - d) councillors priorities as they relate to their own committees
 - e) reporting of performance indicators across agreed output measures, particularly those that show stakeholders that council is getting on top of the job of running Auckland.
7. It is proposed that the style of the committee meetings is collaborative and open. Meetings will be open to all councillors. A measure of success will be that the meetings will be viewed as an important interface between councillors and the Chief Executive and his Executive Leadership Team.
8. The Committee Chair proposes that a formal meeting is held each quarter, with the final meeting of the financial year formally assessing the Chief Executive's annual performance.

Chief Executive's Performance Objectives

9. The Chief Executive commenced on 15 January 2014. The committee needs to set the Chief Executive's performance objectives for the remainder of the 2013/14 financial year. Consideration should also be given to longer term multi-year objectives.
10. The former CEO Review Subcommittee and former Governing Body developed a set of priorities for the new Chief Executive during the recruitment process. The current Governing Body also discussed priorities in the final Chief Executive interviews. This forms a basis for discussion with committee members. A copy of the Chief Executive recruitment process priorities is attached (Attachment A).

Consideration

Local Board Views

11. In 2013, the Director, Human Resources sought input into the Chief Executive recruitment process from Local Board Chairs. During this engagement, Local Board Chairs requested that they are consulted on the Chief Executive's performance objectives and the annual review of those objectives. The former CEO Review Subcommittee was informed of the Local Board request and deferred any decision until after the new Chief Executive was recruited.
12. The Chief Executive has committed to regular engagement with the Local Board Chairs in order to build a closer relationship during his term.

Maori Impact Statement

13. In 2013, the Director, Human Resources sought input into the Chief Executive recruitment process from the Independent Maori Statutory Board (IMSB). During this engagement, the IMSB Chair requested that IMSB be consulted on the Chief Executive's performance objectives and the annual review of those objectives. The former CEO Review Subcommittee was informed of the IMSB Chair's request and deferred any decision until after the new Chief Executive was recruited.
14. The Chief Executive has committed to regular engagement with the IMSB Chief Executive in order to build a closer relationship during his term.

Implementation Issues

15. A revised terms of reference for the Chief Executive Officer Review Committee will be drafted following confirmation of the style and format of future meetings.
16. Performance objectives for the remainder of 2013/14 will be presented to the next Chief Executive Officer Review Committee meeting for approval.

Attachments

No.	Title	Page
A	Chief Executive Priorities - CE Recruitment Process Document 2013	11

Signatories

Authors	Michael Quinn - Executive Officer
Authorisers	Alan Brookbanks - Human Resources Director Stephen Town - Chief Executive

Auckland Council Chief Executive Priorities for next the Three Years

A Governing Body workshop was held on 18 March 2013 to review and agree the key priorities for the new chief executive for his/her first term (either 3 or 5 years). These are noted below. This focus was used to inform the attached Person Specification.

- Deliver the Vision for Auckland and the Auckland Plan: Continue to move the Auckland Plan into the implementation phase. In doing so, continuing to build constructive relationships with the Council Controlled Organisations and ensuring roles and responsibilities with those, and local boards, are defined and well understood.
- Strategy Refreshes: Over the course of the new chief executive's first term, there will be a requirement to review or refresh existing core strategies. This could include the Auckland Plan, the Economic Development Strategy, local board plans, etc. The new chief executive will identify a programme of work and ensure the Council has the resources and capability to deliver the agreed programme.
- Community Focused and Business Friendly Council: Continue to work on and embed change to ensure that the Council is community and customer centric, and easy to do business with. This objective involves reviewing the spectrum of Council processes (strategies, regulations, services, compliance, economic development, land supply, etc.) that contribute to the competitiveness of the regional economy and builds strong relationships with Auckland's diverse communities while ensuring a culture of continuous improvement across all activities
- Maintain Transformation Momentum: The new appointee will arrive three years into the creation of the Auckland Council. It is important that the benefits of amalgamation are realized through the transformation programme that is improved services, reduced costs, productive and engaged employees and suppliers, and a positive and innovative internal culture .
- Major Projects: Provide leadership to ensure major projects are developed and executed to maximise their potential and contribution to the Auckland Plan.
- Strategic alliances and reputation: Building and managing central government and other key stakeholder relationships to build trust and ensure a visible and respected culture of partnership exists across the Council